

MEMO# 22039

December 12, 2007

NFMA Releases White Paper on Insurer Disclosure

[22039]

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TO: MUNICIPAL SECURITIES ADVISORY COMMITTEE No. 15-07 RE: NFMA RELEASES WHITE PAPER ON INSURER DISCLOSURE

The National Federation of Municipal Analysts (NFMA) issued a draft white paper, entitled “White Paper on Disclosure for Financial Guarantors,” calling for improvements in bond insurers’ financial disclosures. [1] The white paper urges insurers to: (1) enhance transparency of financial data disclosed, (2) provide improved and equal access to information, and (3) develop and pursue consistency in format. To fulfill these broader goals, the white paper also offers suggestions for several specific disclosures by a financial guarantor in the categories of risk profile, operating results, and income statement and balance sheet. The white paper concludes with a “scorecard” on quarterly operating supplements issued by the nine current primary market municipal bond insurers.

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endnotes

[1] NFMA press release, NFMA Releases White Paper On Disclosure For Financial Guarantors, December 10, 2007. The draft white paper can be found on the NFMA’s website at http://www.nfma.org/publications/financial_guarantors_071210.pdf. The NFMA is seeking comments on the draft white paper through March 10, 2008.

should not be considered a substitute for, legal advice.